

SAMPLE FORMS - CONTRACTS
Access to the SoCalGas Pipeline System
Confidentiality Agreement (Form 6410, 11/05)

Sheet 1

(See Attached Form)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3413-B
DECISION NO. 04-09-022

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Oct 7, 2005
EFFECTIVE Nov 6, 2005
RESOLUTION NO. G-3376, G-3382

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is made and entered into effective as of _____ ("Effective Date"), by and between a _____ corporation, located at _____ [address] _____ ("Company"), and the **Southern California Gas Company**, a California corporation, located at _____ [address] _____ ("SCG").

In consideration of the mutual covenants herein, and the disclosures to be made in connection herewith, the parties agree as follows:

1. Company is considering engaging in developing a _____ that would connect with SCG's gas pipeline system ("Project") in California and wishes to discuss with SCG certain aspects of the Project and the possible future relationship of the parties concerning the Project (the "subject matter"). Because of the competitive nature of the Project and the subject matter, which may be discussed by the parties concerning the Project, the parties agree to keep all subject matter identified in writing as "Proprietary Information" confidential. "Proprietary Information" shall mean any data, information, trade secrets or "know-how" that is proprietary to a Party, and not known to the Party receiving it or the general public as of the date hereof, which is disclosed in the course of dealings between the Parties in connection with this Agreement, in oral and/or written form. For the purposes of this Agreement, the party receiving Proprietary Information from a party in connection herewith is the "Receiving Party," and the party providing Proprietary Information to the other party hereunder is the "Disclosing Party". Any information designated by a party as Proprietary Information, if in tangible form, will be marked clearly as "Proprietary Information"; or if communicated orally, it must be identified in writing as "Proprietary Information" in reasonable detail within five (5) business days after disclosure. This Agreement does not require either Party to disclose any particular "Proprietary Information," or to disclose it in any particular form or format. No representation is made that any Proprietary Information disclosed is free from error, or suitable for any use or purpose. Company understands that as a California public utility company SCG is obligated to provide service in a non-discriminatory manner and this Agreement in no way prevents, restricts or limits SCG's discussions or relationships with other companies considering LNG projects other than not disclosing the Proprietary Information of Company.

2. Except as otherwise provided in this Agreement, no part of the Proprietary Information may be disclosed or delivered to third parties or used by the Receiving Party for any purpose other than for the purpose stated in Paragraph 1 above, without the prior written consent of the Disclosing Party, which may be refused. Except as authorized in writing by the

Disclosing Party, the Receiving Party shall not copy, disclose, or use the Disclosing Party's Proprietary Information or any part thereof and shall return to the Disclosing Party or destroy, upon the Disclosing Party's request, all Proprietary Information provided by the Disclosing Party in tangible form, and all copies, photographs, reproductions, and all other duplications thereof, including any summaries, extracts and other information derived from the Proprietary Information, regardless of the form of media.

3. The Receiving Party shall take all reasonable measures to prevent unauthorized disclosure of the Proprietary Information and shall restrict access to the Proprietary Information to those employees, or employees of Affiliates, who have a need to know in the course of their duties. If the Receiving Party finds it necessary for the purpose set forth in Paragraph 1 above to disclose to a subcontractor or agent any Proprietary Information, such subcontractor or agent shall first agree in writing to comply with the provisions of this Agreement. For purposes of this Agreement, "Affiliate" shall mean any company or legal entity which (a) controls either directly or indirectly a Party, or (b) which is controlled directly or indirectly by such party, or (c) is directly or indirectly controlled by a company or entity which directly or indirectly controls such party. Control means the right to exercise fifty percent (50%) or more of the voting rights in the appointment of the directors or similar representatives of such company or entity.
4. Notwithstanding any of the other provisions herein, SCG will not disclose any Proprietary Information disclosed pursuant to this Agreement to any of its Affiliates not regulated by the CPUC without the prior written consent of Company.
5. All Proprietary Information disclosed hereunder shall be and remain the exclusive property of the Disclosing Party. This Agreement shall not be construed to grant to the Receiving Party any license or other rights to the Proprietary Information except as specifically noted herein.
6. The obligations set forth in this Agreement shall not apply to information that the Receiving Party can establish is:
 - a. Information, which is in the public domain as of the date of this Agreement or which later, enters the public domain from a source other than the Receiving Party.
 - b. Information which the Receiving Party has written evidence of knowing prior to the execution of this Agreement.
 - c. Information which the Receiving Party receives from a bona fide third party source not under any obligation of confidentiality.
 - d. Information approved for release by the Disclosing Party in writing.

- e. Information, which is required by law (e.g., court order or governmental agency subpoena) to be disclosed. If either Party or any of its Representatives is required by applicable law, regulation or legal process (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Proprietary Information provided to it under this Agreement, such Party or its Representative will promptly notify the other Party of such requirement so that it may seek an appropriate protective order or elect, in its sole discretion, to grant a waiver of compliance with the provisions of this Agreement. If, in the absence of a protective order or the receipt of a waiver hereunder within a reasonable time after such notice, a Party or any of its Representatives is, in the reasonable opinion of such Party, compelled to disclose any Proprietary Information, then the disclosing Party may disclose only such of the Proprietary Information to the person compelling disclosure as is required by law. The Party being forced to disclose any Proprietary Information will provide all commercially reasonable assistance to enable the other Party to obtain a protective order or other reliable assurance that the Proprietary Information will be accorded confidential treatment.
 - f. Either Party may disclose to any governmental entity (including a court) or its representatives or other persons as required by such entity, the tax treatment and tax structure of any transaction arising at any time in connection with this Agreement or related hereto, as well as all materials provided to either Party of any kind (including opinions or other tax analyses) relating to the tax treatment or tax structure of such transaction.
7. If the Receiving Party breaches or defaults in the performance of any of its covenants contained herein or violates any of the restrictions set forth herein, the Disclosing Party shall be entitled to all remedies available at law or in equity. The parties acknowledge that the Proprietary Information is valuable and unique, and that damages would be an inadequate remedy for breach of this Agreement and the obligations of each party and its Representatives are specifically enforceable. Accordingly, the parties agree that in the event of a breach or threatened breach of this Agreement by either party, the disclosing party shall be entitled to seek an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, money damages or any other available legal or equitable remedy.
8. If either party employs attorneys (in-house and/or outside counsel) to enforce any rights arising out of or related to this Agreement, the prevailing party in such matter (as determined by the court) shall be entitled to receive its reasonable attorneys' fees, costs and disbursements.

9. This Agreement shall be begin on the Effective Date and continue for period of two (2) years from the date of the last disclosure of Proprietary Information in connection herewith.
10. Neither this Agreement, nor the disclosure of Proprietary Information under this Agreement, nor the ongoing discussions and correspondence by the parties regarding the subject matter of this Agreement, shall constitute or imply any promise or intention to make any purchase or use of the services, products, facilities, real property or other assets of either party, or any commitment by either party with respect to any other present or future arrangement. If, in the future, the parties elect to enter into binding commitments relating to any of the matters stated herein, they must be stated in a separate executed written contract by the parties.
11. This Agreement shall be governed by and construed under the laws of the California, without reference to any principles on conflicts of laws. Any dispute between the parties arising under this Agreement shall be litigated solely in the state or federal courts located in the County of Los Angeles, State of California.
12. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior discussions, communications and agreements, both oral and written. This Agreement shall not be amended or modified except by an agreement or amendment in writing signed by both parties, and shall not be modified by course of performance, course of dealing, or usage of trade. No waiver of any right under this Agreement shall be deemed a subsequent waiver of the same right or any other right. To be effective, any waiver of the provisions hereof shall be in writing.

The authorized signatories of the parties have executed this Confidentiality Agreement as of the Effective Date.

Company Name

SOUTHERN CALIFORNIA GAS COMPANY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____